



ARIZONA DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT OFFICE

TECHNICAL BULLETIN No. 004

TITLE **State Contract Waivers for Off-Contract Purchases**
REVISION **Number 1**

Authority

A. Applicable Statute

- A.R.S. § 41-2531 Source Selection and Contract Formation
- A.R.S. § 41-2512 Delegation of Authority by the Director
- A.R.S. § 35-151 Encumbrance documents; Issuance and disposition
- A.R.S. § 35-154 Unauthorized obligations; Effect; Liability

B. Applicable Administrative Code

- A.A.C. R2-7-D305 Purchases of \$5000 or Less
- A.A.C. R2-7-202 Delegation of Procurement Authority to State Governmental Units
- R2-7-A301B Source Selection Method: Determination Factors.

C. Applicable Technical Bulletins

- GAO Technical Bulletin No. 06-3 Statewide Purchasing Card (P-Card) Purchasing Transaction Limits
- Technical Bulletin No. 3 Delegation of Procurement Authority

II. Revision Note

This Technical Bulletin revises and supersedes AzSPO Policy No. 1 and AzSPO Policy No. 2 (both issued November 2000).

III. Definitions

Where set forth in normal font, the following definitions are directly from the Arizona Procurement Code. Expanded or additional definitions are in *Italics* from sources noted.

- A. **Arizona state contract** means a contract established or authorized by the State Procurement Administrator for use by State Governmental Units and eligible procurement units.
- B. **Cardholder** means a state employee who has been issued a P-Card upon approval of his or her agency. (Source: GAO Technical Bulletin No. 06-3)



- C. **GAO** means the Arizona Department of Administration, General Accounting Office. (Source: GAO Technical Bulletin No. 06-3)
- D. **Off-Contract Purchase** means a purchase from a source other than from a mandatory contract for a material or service available under a mandatory contract, but in a form which does not satisfy the Governmental Unit's requirements. (Source: SPO Glossary)
- E. **P-Card or Purchasing Card** means a card provided through state contract to state employees, state organizations, or state departments for the purpose of conducting purchase or payment activities for a valid public purpose. (Source: GAO Technical Bulletin No. 06-3)
- F. **State Governmental Unit** means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation of this state.

IV. **Statement of Policy**

It is the policy of the State of Arizona that State Governmental Units may make purchases of items available on mandatory state contracts from other than state contractors only under the circumstances prescribed below.

A. **Off-Contract Purchase Using P-Cards**

State Governmental Units may make off-contract purchases using a procurement card for emergency purchases, field purchases, urgent need, or otherwise impracticable purchase situations within the set spending limit of the P-card and not exceeding \$200. When practicable, state contracts should be the first choice, as time and physical proximity permit.

1. The P-Card spending limit shall be two hundred dollars (\$200.00), inclusive of tax and freight, for the purchase. Purchases shall not be fragmented in such a manner that the aggregate purchase of items would exceed \$200.00.
2. Formal contract amendments are not necessary based upon current contract language in state contracts regarding Off-Contract purchases.

B. **Contract Does Not Meet State Governmental Unit Needs**

If a State Governmental Unit requires a product or service that is available on a mandatory Arizona State contract, but which is dissimilar in some salient means to what is available on the Arizona State contract, authorization shall be obtained from the agency Procurement Officer for unlimited procurement delegated agencies. All limited procurement delegated agencies shall obtain the approval of the State Procurement Administrator. Authorization shall be obtained prior to any purchase.



C. Cost shall not be a sufficient basis for an Off-Contract Purchase Request

Effective

This Technical Bulletin is hereby effective this 6th day of May, 2008, unless otherwise revised or repealed.

Statute, Administrative Rule, and Executive Orders shall prevail in the event of a discrepancy between this policy and applicable Statute, Administrative Rule, or Executive Orders.

Signature

A handwritten signature in blue ink, reading "Jean A. Clark", written over a horizontal line.

Jean A. Clark, CPPO, C.P.M., CPPB, CPM
State Procurement Administrator